

WASHINGTON (June 29) – The House on Friday passed bipartisan legislation that includes a five-year extension of the National Flood Insurance Program and reforms that are expected to save taxpayers more than \$2 billion over 10 years.

Among the reforms are those that eliminate subsidized flood insurance rates for vacation and second homes, properties with repetitive flood claims and commercial properties.

“Since January of 2011, I have held as a goal of this Congress to achieve fundamental reform of the flood insurance program. This bill accomplishes that in a fair and responsible manner with better protections for taxpayers and homeowners,” said Congressman Spencer Bachus (AL-6), Chairman of the House Financial Services Committee.

The bill was introduced by Rep. Judy Biggert, who serves as Chairman of the House Financial Services Subcommittee on Insurance, Housing and Community Opportunity.

The bill has been a priority for the Republican leadership of the Financial Services Committee since they gained control of the panel in January 2011. The bill first passed the committee more than a year ago – on May 12, 2011 – and the House followed with overwhelming approval of the Biggert bill 406-22 on July 12, 2011. Since then, progress on the final version of the bill was slowed in the Senate.

“In the House, we worked with Members of Congress and stakeholders from every corner of the country to craft a framework that could garner broad, bipartisan support. Our final conference agreement reflects that collaborative approach, and I’m very pleased that it is finally moving forward,” said Rep. Biggert. “This bill will eliminate barriers to the development of a private flood insurance market, and it will help to take taxpayers out of the insurance business. At the same time, it prevents a needless interruption in our fragile housing recovery. As I’ve said from the beginning, the flood insurance program is too important to let lapse and too in debt to continue without reform.”

Without action by Congress, the NFIP will expire on July 31 and leave millions of homeowners, renters and businesses without a way to insure their properties against devastating floods.

Since 2008, Congress has passed 17 short-term extensions of the NFIP and allowed the program to lapse four times. More than 40,000 home sales were stalled during the program's most recent lapse in June 2010, according to the National Association of Realtors.

The long-term extension bill passed by the House today provides greater certainty for the nation's housing market and promotes long-term investments in housing and real estate that are vital to the recovery of the economy.

Chairman Bachus singled out several members -- both Republicans and Democrats -- for playing key roles in the bill's passage. In addition to Rep. Biggert, he thanked Reps. Maxine Waters, John Shimkus, Jerry Costello, Barney Frank and Doris Matsui.

"Passage of this important reform bill is a bipartisan achievement that incorporates the contributions of many members," said Chairman Bachus.